

(Forms ST-51 Monthly Return and ST-50 Quarterly Return)

Number. There is a convenience fee of 2.5% of your liability paid directly to Official Payments Corporation.

Electronic Funds Transfer (EFT)

Taxpayers with a prior year liability of \$10,000 or more in any tax are required to make their payments for all taxes by EFT. Other taxpayers may voluntarily submit payments by EFT with the approval of the Division of Revenue. EFT payments are separate transactions made outside the Business Paperless Telefiling System. For more information on the EFT Program, call 609-984-9830, write to New Jersey Division of Revenue, EFT Unit, PO Box 191, Trenton, NJ 08646-0191, or visit the Division of Revenue's Web site at www.state.nj.us/treasury/revenue/.

Penalties, Interest, and Fees

Failure to file a return by the due date and/or failure to remit any taxes due by the due date will result in penalty and interest charges. Anyone required to collect sales and use tax does so as a trustee on behalf of the State of New Jersey. Thus, business owners, partners, corporate officers, and some employees of such businesses may be held personally liable for failure to collect the tax when required or for failure to file returns and remit any taxes due on a timely basis.

Late Filing Penalties

5% per month (or fraction thereof) of the balance of tax liability due at original return due date not to exceed 25% of such tax liability. A penalty of \$100 per month (or fraction thereof) for each month the return is late will also be imposed.

Late Payment Penalty

5% of the balance of the taxes due and paid late.

Interest

The annual interest rate is 3% above the average predominant prime rate. Interest is imposed each month (or fraction thereof) on the unpaid balance of the tax from the original due date to the date of payment. At the end of each calendar year any tax, penalties, and interest remaining due will become part of the balance on which interest is charged.

NOTE: The average predominant prime rate is the rate as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses on December 1st of the calendar year immediately preceding the calendar year in which the payment was due or as determined by the Director in accordance with N.J.S.A. 54:48-2.

Collection Fees

In addition to the above penalties and interest, if your tax bill is sent to a collection agency, a referral cost recovery fee of 10% of the tax due will be added to your liability. If a certificate of debt is issued for your outstanding liability, a fee for the cost of collection may also be imposed.

General Information

Lease Transactions

Lessors are responsible for paying use tax on property that is leased. The total amount of tax due from the lessor must be paid on or before the 20th day of the month immediately following the lease transaction. The amount of use tax being remitted must be included on Line 2 of the monthly return (Form ST-51) and Line 6 of the quarterly return (Form ST-50).

Gross Receipts

The accrual method of accounting must be used when reporting gross receipts. Under this method, all receipts are re-

ported in the period in which the sale took place, no matter when, or if, payment is actually received from the customer.

Report gross receipts from all transactions, *including exempt transactions*, which occurred during the three-month reporting period covered by the quarterly return (Form ST-50). This includes, but is not limited to:

- Sales of tangible personal property, including the rental, storage, and use of tangible personal property.
- Sales of services.
- Sales of prepared foods.
- Room occupancy charges.
- Admission and amusement charges.
- Receipts from sales of less than \$0.11.
- Installment sales or other sales on credit made during the quarter.

NOTE: Businesses subject to Atlantic City luxury tax must include in gross receipts the "Total Gross Receipts" amounts reported on Line 1, Column B of Form ST-250 (Combined Atlantic City Luxury Tax/State Sales Tax Monthly Return) for each month of the quarter.

Do not include in gross receipts:

- Installment *payments* from installment sales or other sales on credit.
- Sales tax collected.
- Trade-in allowances.
- Sales of alcoholic beverages at wholesale.
- Receipts from lease transactions.

Adequate records should be maintained showing separately all exclusions from gross receipts.

Deductions

You may deduct the amount of all sales included in gross receipts which are not taxable under New Jersey law. No deduction may be taken for any amount which was not included in gross receipts on your return. Deductions may be taken only *once*. For example, if a deduction has been taken for an exempt clothing sale, you may not deduct the amount again as a sale of property which was delivered out of State.

Sales Jointly Taxable by Atlantic City and New Jersey.

Businesses subject to Atlantic City luxury tax may deduct the "Taxable Receipts" amount from Line 3, Column B of the Combined Atlantic City Luxury Tax/State Sales Tax Monthly Return, Form ST-250.

Exempt Sales of Tangible Personal Property. Deduct the sales of any tangible personal property which is specifically exempt from sales tax (e.g., sales of grocery foods, clothing, etc.).

Exempt Sales of Services. Deduct total charges for services which are not subject to sales tax (e.g., professional services, personal services, etc.).

Exempt Occupancies. Deduct receipts from occupancies exceeding 90 consecutive days and occupancies for which the charge was \$2 or less per day.

Exempt Admissions. Deduct any admission charges of \$0.75 or less and admissions to sporting activities where a patron was a participant.

Sales Covered by Certificates. Deduct receipts from sales of property or services for which a valid New Jersey exemption certificate was accepted in lieu of tax.

Returned Goods. Deduct the total sales price of taxable purchases returned by the customer. Include only the amounts refunded or credited to the customer. Do not include:

- Sales tax collected on returned purchases.
- Returns that were not subject to sales tax.
- Amounts not included in gross receipts on any return.

No deduction may be taken for returned goods which have been or will be deducted as an exempt sale on any sales and use tax return.

Property Delivered Out of New Jersey. Deduct total sales where the property was shipped to an out-of-State purchaser by common carrier, delivered to an out-of-State purchaser by the vendor in his own carrier, or delivered by the vendor to an out-of-State purchaser through an unregulated carrier hired by the vendor. Do not include sales of goods to an out-of-State purchaser if the customer took possession of the items in New Jersey.

Services Performed Outside of New Jersey. Deduct receipts from services performed outside of New Jersey.

Capital Improvements. Contractors may deduct sales of services which result in capital improvements to real property. Contractors are required to obtain a properly completed Certificate of Capital Improvement (Form ST-8) from customers for such transactions.

Rounding Off to Whole Dollars

Eliminate any amount under 50 cents and increase any amount 50 cents or over to the next higher dollar. Round amounts for the quarterly gross receipts and deductions lines only. No other lines are to be rounded.

Step-by-Step Instructions for Worksheet

Identification

New Jersey Taxpayer Identification Number. Enter your 12-digit New Jersey Taxpayer Identification Number as it appears on your New Jersey Certificate of Authority. If your ID number begins with the letters "NJ," enter "6," "5," and the remaining 10 digits. (NOTE: If you do not enter your ID number correctly, you will not be able to file.)

PIN/Taxpayer Name. Enter your 4-digit sales tax PIN (Personal Identification Number) or the first four characters of your registered taxpayer name. If you are entering your taxpayer name, use only letters and numbers. Omit symbols and spaces. (NOTE: If you do not enter your PIN or the first four characters of your taxpayer name correctly, you will not be able to file.)

Contact Phone Number. Enter the area code and phone number of a contact person for the taxpayer.

Tax Preparer's Identification Number. If the return is being filed by a tax preparer, enter the preparer's 9-digit Federal identification number or social security number. This information will be requested during the signature portion of the phone call.

Return Information

FORM ST-51 — MONTHLY RETURN

Complete this section if you are filing a monthly return for the first or second month of the quarter. *You are required to file a monthly return only if your tax liability for the month is more*

than \$500. If you are filing a quarterly return, go to "Form ST-50 — Quarterly Return," below.

There are two monthly return sections on the worksheet; one for the first month of the quarter and one for the second month of the quarter. Complete the section that corresponds to the month for which you are filing.

Line 1 — Period Covered by Return. The two-digit number of the month (e.g., "01" for January, "02" for February) covered by the return is preprinted on this line of your worksheet. Enter the four-digit year in which the month fell in the boxes to the right of the month.

Line 2 — Amount of Tax Due. Multiply the total monthly taxable receipts (gross receipts minus deductions) by the sales tax rate. Do not include in gross receipts amounts collected for sales tax. Enter on Line 2 the larger of this figure or the actual amount of sales tax collected for that month. Also include any use tax that is due. NOTE: A monthly return cannot be filed by phone if the amount due is less than one dollar. Monthly payments of less than one dollar must be included with your quarterly return.

Line 3 — Penalty and Interest. Compute any penalty and interest charges incurred for late payment and/or late filing for the month and enter the amount on Line 3. If you are unable to determine this amount, enter "0." The State will calculate the penalties and interest and send you a bill.

Line 4 — Total Amount Due. The system will calculate the total amount due and provide the amount to you. Enter the amount stated on Line 4. Continue completing the worksheet with the "Payment Information" section. See instructions on page 4.

FORM ST-50 — QUARTERLY RETURN

Complete this section if you are filing for the third month of the quarter. A quarterly return must be filed even if no tax is due and/or no sales were made during the quarter.

Line 1 — Period Covered by Return. The number that reflects the calendar quarter covered by the return (e.g., "1" for the first quarter, "2" for the second quarter, etc.) is preprinted on this line of your worksheet. Enter the four-digit year in which the quarter fell in the boxes to the right of the quarter.

Line 2 — Gross Receipts for Quarter. Enter on Line 2 the total gross receipts (to the nearest dollar) from all transactions, including exempt transactions, which occurred during the three-month reporting period covered by the return. See "Gross Receipts" on page 2 for more information. If you had no gross receipts for the quarter, enter "0."

Line 3 — Deductions. Enter on Line 3 the amount of all sales (to the nearest dollar) included on Line 2 which are not taxable under New Jersey law. See "Deductions" on page 2 for more information. If you had no deductions for the quarter, enter "0."

Line 4 — Amount of Tax Collected. Enter on Line 4 the amount of sales tax collected for the quarter. If you did not collect any sales tax for the quarter, enter "0."

Line 5 — Sales Tax Due. The system will calculate the sales tax due and provide the amount to you. (The amount of sales tax due may be greater than the amount collected.) Enter the amount stated on Line 5.

Line 6 – Use Tax Due. Enter on Line 6 the total amount of use tax due for taxable tangible personal property or taxable services used during the quarter on which no sales tax was paid. (For more information request publication ANJ-7, *Use Tax in New Jersey*.) Also include here the total amount of use tax due on lease transactions. If you had no use tax liability for the quarter, enter “0.”

NOTE: Direct payment permit holders enter the total sales and use tax liability on taxable purchases and uses during the quarter covered by the return.

Line 7 – Total Tax Due. The system will calculate the total tax due and provide the amount to you. Enter the amount stated on Line 7.

Line 8 – Total Monthly Payments. If you have already paid part of your quarterly liability with a monthly return (Form ST-51) for the first and/or second month of the quarter, or by electronic funds transfer, enter the total of these payments on Line 8. If you did not make any monthly payments for the quarter, enter “0.”

Line 9 – Quarterly Amount Due. The system will calculate the sales and use tax balance due for the quarter and provide the amount to you. Enter the amount stated on Line 9. If your total monthly payments (Line 8) exceed the total tax due (Line 7), you may be eligible for a refund. (To obtain a refund you must file a Claim for Refund, Form A-3730, which is available online and by phone. See “Where to Get Information,” below.) Enter “0” here and on Line 11 and continue filing the quarterly return.

Line 10 – Penalty and Interest. Compute any penalty and interest charges incurred for late payment and/or late filing for the quarter and enter the amount on Line 10. If you are unable to determine this amount, enter “0.” You will be billed for any penalty or interest due.

Line 11 – Total Amount Due. The system will calculate the total amount due for the quarter and provide the amount to you. Enter the amount stated on Line 11. If you have a balance due, you can pay by e-check, credit card, or EFT. See “How to Pay” on page 1. You are not required to submit your payment on the same date as your telephone call, however, your payment must be made by the due date to avoid penalty and interest charges.

Payment Information

If you wish to pay by e-check, enter on the worksheet the 9-digit bank routing number, the account number (omit hyphens, spaces, symbols, and letters), the type of account, and the date you want the payment to be debited from your account. The earliest payment debit date you may select is the next business day. However, payment transactions initiated by 11:59 p.m. on the due date will be deemed timely even if the settlement date (date payment is debited from the account) is the next business day.

You can also pay by credit card or EFT after you have completed your telephone filing and received a Confirmation Number. See “How to Pay” on page 1.

Signature and Confirmation

Signature. You are required to affirm and sign your return by agreeing to the following statement and then providing a voice signature: “I verify and affirm that all tax information provided during this telephone call is correct. I am aware that

if any of the information provided by me is knowingly false, I am subject to punishment.” Your return cannot be processed without this affirmation or a signature. Tax preparers filing on behalf of clients will also be required to enter their tax identification number.

Confirmation Number. After you sign your return, stay on the line until the system assigns you a 7-digit Confirmation Number. This number serves as proof that your return was successfully filed. Enter the number and the date you filed your return in the boxes on the worksheet for the appropriate period along with the name of the person who “signed” the return. **Your return is not filed until you receive a Confirmation Number.**

If you make your quarterly payment by e-check in a separate telephone call, you will receive a separate Confirmation Number for the payment transaction.

Your Confirmation Number is your only proof that your return was successfully filed. Enter it on your worksheet and keep the worksheet for your business files for four years in case of audit. **Do not mail it to the Division of Taxation.**

Amended Returns

Errors on monthly returns (Forms ST-51) are to be adjusted on the quarterly return (Form ST-50) for that quarter. Errors on quarterly returns must be corrected by filing an amended return. You may amend a quarterly return through the Business Paperless Telefiling System or by completing a paper Amended Quarterly Sales Tax Return (Form ST-607A). If the correction results in an overpayment of tax for the quarter, file a Claim for Refund (Form A-3730). To obtain Form ST-607A or A-3730, visit the Division of Taxation Web site or call the Forms Request System. See “Where to Get Information,” below.

Where to Get Information

By Phone

Call the Division of Taxation’s Customer Service Center at **609-292-6400**. Representatives are available from 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays).

Online

- Division of Taxation Web site:
www.state.nj.us/treasury/taxation/
- E-mail: **taxation@tax.state.nj.us**

Order Forms and Publications

To obtain copies of the EZ TeleFile Worksheet and Instructions, as well as other tax forms and publications:

- Call the Forms Request System from a Touch-tone phone at **1-800-323-4400** (within NJ, NY, PA, DE, and MD) or **609-826-4400** (anywhere).
- Call NJ TaxFax at **609-826-4500** from your fax machine’s phone.
- Visit the Division of Taxation’s Web site:
www.state.nj.us/treasury/taxation/

In Person

Visit a New Jersey Division of Taxation Regional Office. For the address of the office nearest you, call the Automated Tax Information System from a Touch-tone phone at **1-800-323-4400** (within NJ, NY, PA, DE, and MD) or **609-826-4400** (anywhere) or visit our Web site.